

## **Brownfields Financial Resources**

### **Assessment Funds**

MassDevelopment Brownfields Assessment & Cleanup Loans - MassDevelopment administers the State's Brownfields funding program. They provide up to \$50,000 in no interest loans for environmental assessment to determine the extent of contamination. It is my understanding that if the project moves forward the funding is considered a loan. If it is deemed unfeasible due to the contamination, the funding is deemed to be a grant. MassDevelopment also provides up to \$500,000 in flexible interest loans for cleanup of a commercial redevelopment site. These loans can be applied for directly by a private party without City involvement.

[http://www.massdevelopment.com/financing/lg\\_brownfields.aspx](http://www.massdevelopment.com/financing/lg_brownfields.aspx)

Urban Brownfields Assessment Grants - The Massachusetts Executive Office of Environmental Affairs offered a grant program to municipalities this past year with a 25% match for up to \$70,000 in grant funds for assessment of suspected brownfield sites. I have attached the program guide. If they offer it again, it will not be until November. Funds can be used for private or public sites in environmental justice neighborhoods.



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Brownfields.doc...

### **Cleanup Funds**

EPA Brownfields Assessment & Cleanup Grants - EPA offers grants to municipalities of up to \$200,000 for assessment and/or cleanup. Wayne Feiden has previously received EPA Assessment grant funds for this parcel. We would need to speak with Wayne to see if he thinks the site would be eligible based on the assessments completed. The next application phase will be in December. Funding would not be available until October 2007. <http://www.epa.gov/brownfields/>

### **Cleanup Insurance**

Brownfields Redevelopment Access to Capital (Environmental Insurance) - The State subsidizes environmental cost overrun insurance for hazardous material cleanup. The insurance is expensive, but the state subsidizes 50% of the policy premium. It would be helpful to speak with Wayne to see if he has done an evaluation on whether this insurance would be helpful on the Roundhouse project. <http://www.mass-business.com/site/site-massbiz/content/brownfields/>

## **Brownfields Tax Credits**

### **Massachusetts Tax Credits**

In 2006, the MA Legislature extended the tax credit for a taxpayer or nonprofit organization which commences and diligently pursues an environmental response action on or before August 5, 2011. Massachusetts Law allows for a base tax credit of 25 per cent of the net response and removal costs incurred between August 1, 1998, and January 1, 2012, for any property it owns or leases for business purposes and which is located within an economically-distressed area as defined in section 2 of chapter 21E. (Northampton is a designated economically-distressed target area.) All or any portion of tax credits issued in accordance with this subsection may be transferred, sold or assigned to a taxpayer or to a nonprofit organization.

[http://www.dor.state.ma.us/help/guides/abate\\_amend/personal/issues/brownfld.htm](http://www.dor.state.ma.us/help/guides/abate_amend/personal/issues/brownfld.htm)

### **Federal Tax Credits**

In August 1997, the federal government established a Brownfields Tax Incentive Program, under the Taxpayer Relief Act (Pub. PL 105-34). This program allows costs for environmental cleanups on properties located in certain targeted areas to be claimed as fully deductible business expenses in the year in which the costs are incurred or paid. Expenditures made within the period from August 5, 1997 through December 31, 2005 are eligible. It is expected that the federal tax credit will be extended. A bill has not been filed as of 9/1/06 but when filed it will be effective retroactively from 12/31/05.

<http://www.mass.gov/dep/cleanup/certap13.htm#app>

### **The Massachusetts Economic Development Incentive Program**

The Massachusetts Economic Development Incentive Program (EDIP) was established in 1993 to stimulate job creation and economic development in targeted areas where the need for development is most critical. The City of Northampton has joined the Franklin Regional Economic Target Area with the intent of using state and local tax incentives to stimulate job creation, attract new businesses, retain and expand existing businesses, and encourage business investment in the City. The EDIP program allows for a tax exemption on the local property tax, a 5% tax credit on the MA income tax, and a 10% tax deduction for reuse of a building abandoned for two years or more. The municipality and the State must certify the property and the project and negotiate the tax exemption on a case-by-case basis. Northampton will consider the economic benefits of a project, job creation, investment in improving a property, and environmental cleanup costs in evaluating a project.

<http://www.northamptonma.gov/economicdevelopment/Financial%5FIncentives/>

**For additional information on Brownfields Financial Resources contact: Teri Anderson, Economic Development Coordinator, Mayor's Office of Economic Development, 210 Main Street, Northampton, MA 01060, 413-587-1249, [tanderson@northamptonma.gov](mailto:tanderson@northamptonma.gov).**